

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY BERN PRIORITY
INFO AMEMBASSY PARIS
AMCONSUL ZURICH

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USOECD

E.O. 11652: NA

TAGS: EINV, ELAB, OECD, SZ

SUBJECT: SWISS-FIRESTONE NEGOTIATIONS IN AKRON

REF; BERN 2172

1. SWISS AMBASSADOR PROBST NOTIFIED DEPARTMENT OFFICER
APRIL 11 THAT HE WAS DEPARTING FOR AKRON MEETING WITH
FIRESTONE MANAGEMENT OFFICIALS TO BE HELD APRIL 12 TO
DISCUSS ANNOUNCED PLANS TO CLOSE BASEL AREA PLANT. PROBST
WILL HEAD SWISS DELEGATION CONSISTING OF TWO PARLIAMENT-
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ARIANS FROM BASEL CANTON AND NATIONAL ECONOMIC POLICY
ADVISOR JUCKER, AS REPORTED REFTEL.

2. PROBST EMPHASIZED THAT HIS INVOLVEMENT AT THIS STAGE
SHOULD NOT BE CONSIDERED TO CONNOTE AN INTERGOVERNMENTAL
NATURE TO THE TALKS. RATHER, HE HAD BEEN DELEGATED BY
FEDERAL COUNCILOR HONEGGER (ECONOMIC DEPARTMENT); TO

ASSIST THIS LOCAL CANTONAL TEAM, TO COORDINATE VARIOUS SWISS INTERESTS IN THE MATTER, AND TO TRY TO INSURE THAT A FREE MARKET ECONOMY CAN BE MAINTAINED, TAKING COGNIZANCE OF THE OECD CODE OF CONDUCT AND THE IMPORTANCE OF INSURING THAT THIS BUSINESS MEETING NOT BE MENACED BY PROTECTIONIST OVERTONES.

3. PROBST COMMENTED THAT THIS WAS NOT THE FIRST TIME HE HAD BEEN INVOLVED IN SUCH TALKS. THE THREATENED FIRESTONE ACTION, HOWEVER, IS VIEWED WITH GREAT CONCERN BY HIS GOVERNMENT BECAUSE THIS IS THE FIRST TIME A U.S. FIRM WILL CLOSE WITH THE EXPLANATION IT IS DUE TO THE HIGH SWISS FRANC EXCHANGE RATE VS. THE DOLLAR. THE GOS FEARS THEREFORE THIS COULD REPRESENT A PRECEDENT AND THAT OTHER FIRMS MIGHT ATTEMPT TO USE A 'SIMILAR RATIONALE. IF THE AKRON MEETING IS NOT SUCCESSFUL, THIS PROBLEM COULD THEN ASSUME INTERGOVERNMENTAL CHARACTER.

4. ACCORDING TO PROBST, SWISS COMMERCE OFFICIAL LEVY HAS INFORMALLY REVIEWED THE FIRESTONE QUESTION WITH DEP. ASST. SEC. MEISSNER AT AN OECD MEETING. LEVY INDICATED THAT NO USG INTERVENTION WAS PRESENTLY BEING SOUGHT, BUT PERHAPS THIS WOULD BE NECESSARY LATER ON, IN LIGHT OF OECD GUIDELINES, SHOULD AN EARLY SOLUTION NOT BE FOUND. PROBST NOTED THAT THE FIRESTONE ACTION HAS STIRRED UP BOTH THE SWISS LABOR MOVEMENT AND THE SWISS PRESS. HE SAID HE LIMITED OFFICIAL USE

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WOULD DO WHAT HE COULD TO MODERATE EXTREME REACTIONS AND PROMISED TO KEEP US INFORMED. VANCE

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NNN

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